The Federal Reserve is poised to start raising interest rates, and many people are considering buying a home or refinancing their current mortgage before rates get much higher.

Should you make a move based on the potential of rising rates? The answer will vary based on your individual situation. The one rule of thumb that does apply: Before taking any action, crunch the numbers to confirm that you'll come out ahead.

Let's look at some background. The Fed has held short-term interest rates near zero for years to help the country recover from the 2008 recession. With the economy on stronger footing now, it's looking for an opportunity to begin raising them closer to their normal range.

This is important for homeowners because rising short-term interest rates can push the long-term rates used for mortgages upward. Many people fear that low rates are about to become a thing of the past, and feel an urgency to take advantage of them while they still can.

That's almost certainly an overreaction. But while you shouldn't rush into a potentially reckless decision, this is a good time to evaluate your own situation.

If you're a homeowner with a variable-rate mortgage, you should be concerned. Over time, rising rates can make your home unaffordable. If possible, it may be wise to refinance with a fixed-rate loan. If that's not an option, you may want to begin paying your loan down faster.

If you have a fixed-rate, 30-year mortgage, and ample cash flow, you may want to consider refinancing into a 15-year mortgage to get a lower rate. On the other hand, if you are thinking about refinancing into another 30-year mortgage, you're looking at a tradeoff: Your monthly payment will almost certainly be lower, but you will have to spend extra years paying off the loan.

As a general rule, it's only worth the trouble to refinance into another 30-year mortgage if it allows you to decrease your rate by at least 1%.

Keep in mind that even if you might not have qualified to refinance a few years ago, rising home prices may mean that the banks are now willing to work with you.

What about buying a home? The key is to not let the tail wag the dog—in other words, don't rush because you fear that the interest-rate window is closing. Doing so will only give the seller leverage in negotiating a sale price.

Rather than worrying about when rates will start to rise, focus on controlling what you pay for a house: Be patient and negotiate the best deal you can.

If you've got extra cash, use it to make a larger-than-required down payment or pay up-front "points," either of which can help you minimize your interest rate. And pay attention to your credit score. By improving it, you may be able to lower your mortgage rate substantially.

There are a lot of variables when it comes to refinancing or taking out a new mortgage, especially in the current environment. If you need help understanding your options and making informed decisions, don't hesitate to contact us.